



Working Waterfront Preservation: Opportunities and Challenges Posed by Tax Policy

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Need for Cooperative Tools

Accessing the Maine Coast

Everything you wanted to know about rights and responsibilities of accessing the coast of Maine.

Private Waterfront Landowners | Government & Public Entities | Waterfront Users | FAQs, Glossary & Resources | Coastal Access Toolkit | Common Law & Statutes

Private Waterfront Landowners
What are your legal rights and responsibilities to control public use of your property? What is the scope of your ownership and what are its limitations?
[More...](#)

Government & Public Entities
Municipalities and governments have unique tools available for creating and maintaining access and governments have the authority to use their regulatory power on behalf of the public, with restrictions.
[More...](#)

Waterfront Users
What are your coastal access rights and responsibilities? In Maine, waterfront land is owned to the mean low tide by the property owner. Your rights to use that private land are limited to fishing, fowling and navigation.
[More...](#)

NOAA | Sea Grant | Law+Innovation | THE UNIVERSITY OF MAINE Cooperative Extension | ISLAND INSTITUTE | Maine Coastal Program

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All info available at

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Adaptable Model



On the way in Texas and Nova Scotia, CA

Highest & best use tax policy = conversion of WWF



Can tax policy be used to promo WWF
preservation? = legal research

Overview

- 💧 Tax-based tools rooted in existing federal, state, or municipal tax provisions – can be used for WWF preservation
 - 💧 some already are
 - 💧 others could be
- 💧 Coord policies among authorities = synergy to improve success
- 💧 Majority tools evaluated for use in Maine = transferable to US coastal & GL states

WWFs & TAX POLICY

💧 Traditional

- 💧 Reduce taxes on desired uses
- 💧 Increase taxes on undesirable uses
- 💧 Raise revenues to invest in WWF

💧 Innovative

- 💧 Institute federal income tax deduction for charitable donation of WWF land

Approaches

- ◆ Provide tax relief: incentives for WWF land owners to promote desired uses – or conversely raise taxes for undesired uses
 - ◆ Reduce taxes - property tax, income tax, estate tax, capital gains tax
 - ◆ Apply current use taxation - land is taxed on value as currently used, rather than on value of highest & best use

Incentives & Disincentives

- ◆ Taxes as means to raise funds to acquire access, preserve WWF
 - ◆ land gains tax, RE transfer tax, impact fees, tax increment financing

Generate Funding

💧 Tax Funding for Land Banking

- 💧 Land banking = purchase, holding of conservation land by nonprofit land trust, state or municipality
 - 💧 through PDR or TDR
 - 💧 funded by RE trans tax, bond financing

Case Study: Priorities for Maine

◆ **State Property Tax Relief**

- ◆ Property tax reductions by
 - ◆ current use taxation
 - ◆ or property tax abatement

◆ **Federal and State Income Tax Incentives**

- ◆ Incentive to promote public policy (e.g. preservation of working lands)
 - ◆ through income tax exemptions, credits or deductions

Case Study: Priorities for Maine

◆ Federal Income Tax incentive

- ◆ To qualify as charitable deduction, must meet requirements of a “qualified conservation contribution” to qualifying charities.
- ◆ Preservation of land as working waterfront not currently a recognized public benefit under this definition.

Innovation

- ◆ Determine whether non-profit working waterfront organizations are qualifying charities for purposes of deduction.
- ◆ To begin:
 - ◆ research related past IRS rulings
 - ◆ then seek on-point IRS ruling.
 - ◆ Finding informs further action (e.g. pursuing Internal Revenue Code amendment – model language)

What to do??

Info available at
www.accessingthemainecoast.com



Is Transferable



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